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**Health Care & Wellness Committee**

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**ESB 5423**

**Brief Description:** Regarding critical access hospitals not subject to certificate of need review.

**Sponsors:** Senators Pflug and Oemig.

**Brief Summary of Engrossed Bill**

- Exempts from the certificate of need process up to 25 swing beds in a critical access hospital that is located in a city or town without a nursing home in the city or town limits.

**Hearing Date:** 3/17/09

**Staff:** Jim Morishima (786-7191)

**Background:**

A certificate of need is required before:

- a health care facility may be constructed, renovated, or sold;
- the bed capacity at certain health care facilities is increased;
- the number of dialysis stations at a kidney disease center is increased; or
- the addition of specialized health services.

When determining whether to issue a certificate of need, the Department of Health must consider:

- the population's need for the service;
- the availability of less costly or more effective methods of providing the service;
- the financial feasibility and probable impact of the proposal on the cost of health care in the community;
- the need and availability of services and facilities for physicians and patients in the community;
- the efficiency and appropriateness of the use of existing similar services and facilities; and

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- improvements in the financing and delivery of health services that contain costs and promote quality assurance.

A critical access hospital (a hospital in a rural area serving medically an under-served area) may increase its total number of beds to the total permitted by federal law or redistribute its beds among acute and nursing care without obtaining a certificate of need. If, however, there is a licensed nursing home within 27 miles of the critical access hospital, the hospital is subject to certificate of need except for:

- up to five swing beds (hospital beds used for long-term care); or
- more than five swing beds, if the beds were designated to provide nursing home care prior to December 31, 2003.

**Summary of Bill:**

A critical access hospital within 27 miles of a licensed nursing home is not subject to certificate of need review for up to 25 swing beds if there is no licensed nursing home within the same city or town limits as the hospital. No more than one-half of the swing beds authorized by this exemption may be designated prior to July 1, 2009. The balance may be designated no sooner than July 1, 2010.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.